

## **DECISION MEMORANDUM**

**TO: COMMISSIONER KEMPTON  
COMMISSIONER SMITH  
COMMISSIONER REDFORD  
COMMISSION SECRETARY  
COMMISSION STAFF  
LEGAL**

**FROM: SCOTT WOODBURY  
DEPUTY ATTORNEY GENERAL**

**DATE: AUGUST 12, 2009**

**SUBJECT: CASE NO. IPC-E-09-24 (Idaho Power)  
FIRM ENERGY SALES AGREEMENT –  
CASSIA GULCH/TUANA SPRINGS**

On August 11, 2009, Idaho Power Company (Idaho Power; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting approval of a 20-year Firm Energy Sales Agreement between Idaho Power and Cassia Gulch Wind Park LLC (Cassia Gulch) and Tuana Springs Energy LLC (Tuana Springs) dated August 5, 2009 (Agreement).

Cassia Gulch currently owns, maintains and operates an existing 18.9 MW wind generating facility located near Hagerman, Idaho approximately 4.3 miles west of Idaho Power's lower Malad substation. Reference Case No. IPC-E-06-11, Order No. 30087.

Tuana Springs proposes to design, construct, own, operate and maintain a new 16.8 MW wind generating facility adjacent to and as an expansion of the Cassia Gulch facility. It is the contract parties' intent that the Cassia Gulch agreement remain in full force and effect until such time as the expansion facilities (Tuana Springs Expansion) have achieved their operation date of June 30, 2010. At such time the Cassia Gulch agreement shall automatically terminate and shall be replaced by this new Agreement. The net energy from the Cassia Gulch and Tuana Springs Expansion will be combined into a single qualifying facility (QF) with a nameplate rating of 35.7 MW.

The purchase price contained in the Agreement was established by running the Aurora economic dispatch model consistent with the Commission's requirements for projects larger than 10 MW. The purchase price established by running the Aurora economic dispatch model was then blended with the prices contained within the existing Cassia Gulch Wind Farm Agreement in order to preserve the value of existing Cassia Gulch Wind Farm agreement for the Idaho Power ratepayers.

Idaho Power requests that the Commission issue an Order approving the Firm Energy Sales Agreement with Cassia Gulch and Tuana Springs without change or condition and declaring that all payments for purchases of energy under the Firm Energy Sales Agreement be allowed as prudently incurred expenses for ratemaking purposes. Agreement ¶ 21.

### **COMMISSION DECISION**

Commission Staff and the Company recommend that the Application in Case No. IPC-E-09-24 be processed pursuant to Modified Procedure, i.e., by written submission rather than by hearing. Reference IDAPA 31.01.01.201-204. Does the Commission agree with the recommended procedure?



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Scott Woodbury  
Deputy Attorney General

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